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Follow-up to the outcome of the Millennium Summit

Accelerating progress towards the Millennium Development Goals: options for sustained and inclusive growth and issues for advancing the United Nations development agenda beyond 2015

Annual report of the Secretary-General

Summary

The present report summarizes recent progress made towards the achievement of the Millennium Development Goals and contains recommendations aimed at advancing the development agenda beyond 2015. At the request of Member States, it explores issues relevant to the fostering of sustained and inclusive economic growth as part of strategies to achieve the Goals, with a particular focus on employment creation. It concludes that much greater coherence is needed among macroeconomic, trade, investment, financial, rural development and social policies in order to promote sustained and stable economic growth and the adequate creation of decent work, while ensuring environmental sustainability. Coherent national policy efforts will need to be supported by reinvigorating the global partnership for development. This could be done by restoring cuts in aid budgets and meeting all aid commitments, enhancing market access for developing countries, making additional efforts to ensure external debt sustainability, and carrying out further initiatives to provide affordable access to essential medicines and new technologies. The report recommends that urgent attention be focused on ensuring coherence between the follow-up to the United Nations Conference on Sustainable Development and the preparations for the post-2015 United Nations development agenda.

* A/67/150.



I. Introduction

1. In the outcome document of the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals, Member States requested the Secretary-General to report annually on progress in the implementation of the Goals and to make recommendations for further steps to advance the United Nations development agenda beyond 2015.¹ Subsequently, its resolution 65/10, the Assembly requested the Secretary-General to include in his annual report an analysis of and policy recommendations on sustained, inclusive and equitable economic growth for accelerating poverty eradication and achievement of the Goals.

2. The present annual report is the second prepared in response to those requests.² This year, in covering progress made in achieving the Millennium Development Goals, the report is focused in particular on the global employment challenges faced by many countries and on delivering on the global partnership for development. The final section includes further recommendations aimed at advancing the United Nations development agenda beyond 2015.

II. Progress in achieving the Millennium Development Goals³

A. Progress achieved

3. Significant progress has been made in terms of achieving the Millennium Development Goals. A number of important targets have been met:

(a) The global target of reducing extreme poverty in half was met five years ahead of the 2015 deadline. This achievement was greatly helped by accelerated poverty reduction in populous China and India;

(b) The target of halving the proportion of people without reliable access to improved sources of drinking water has already been met;

(c) Conditions for more than 200 million people living in slums have been ameliorated, exceeding by twofold the admittedly modest 2020 target;

(d) On average across the world, gender equality in terms of access to primary education has been achieved, as school enrolment rates for girls are now at par with those for boys.

4. Further progress has also been made towards other Millennium Development Goal targets, such as reducing child and maternal mortality, but the world community still has a long way to go to achieve all the targets by 2015.⁴ Significant additional national and international efforts and the fulfilment of the commitments

¹ See General Assembly resolution 65/1, para. 81.

² The first report (A/66/126) was submitted to the General Assembly at its sixty-sixth session, in September 2011.

³ Unless otherwise noted, this section draws from the information base developed for the *Millennium Development Goals Report 2012*, Department of Economic and Social Affairs (New York, 2012).

⁴ The present report takes into account examples of good practices in accelerating progress towards the achievement of the Millennium Development Goals, including those employed by civil society organizations active at the national level.

made with a view to developing a global partnership for development (Goal 8) will be critical.

5. Driven by national and international efforts and inspired by the Millennium Development Goals agenda, many more of the world's children are now enrolled in school at the primary level. Access has improved significantly since 2000. Girls have benefited the most. The ratio between the enrolment of girls and that of boys increased from 0.91 in 1999 to 0.97 in 2010 for all developing regions, falling within the plus-or-minus 3-point margin of 100 per cent, which is the accepted measure for parity. For least developed countries it increased even faster during the same period, from 0.84 to 0.94. Similarly, net primary school enrolment rates increased markedly in sub-Saharan Africa, from 58 per cent to 76 per cent, during the same period. These are significant achievements given the fast growth of the population in primary-school-age population in the poorest countries.

6. Millions of lives have been saved thanks to improvements in child and maternal health care, the expansion of HIV treatment and targeted interventions to control and treat malaria. Child survival has gained further momentum. In sub-Saharan Africa — the region with the highest level of under-5 mortality — the pace of the reduction in child deaths doubled from 1.2 per cent per year during the 1990s to 2.4 per cent during the 2000s. Overall, under-5 mortality declined by 35 per cent between 1990 and 2010, from 97 to 63 deaths per 1,000 live births. The number of deaths from measles was reduced by 74 per cent from an estimated 535,300 in 2000 to 139,300 in 2010.

7. Fewer people are becoming infected with HIV, although the decline in new infections varies across regions and countries. Globally, new infections were down 22 per cent in 2010 compared with 2001, with paediatric infections dropping 43 per cent from their peak in 2002. Despite progress for the world population at large, the number of new HIV infections has increased in Eastern Europe, Central Asia and the Middle East, driven largely by the increased use of injection drugs. In nearly all countries in sub-Saharan Africa, women, especially those between the ages of 15 and 24, are at higher risk of living with HIV. The most recent prevalence data indicate that sub-Saharan women are 30 per cent more likely to be infected with HIV than men.⁵ Increased availability of HIV treatment explains much of the progress made in containing the disease. By the end of 2011, an estimated 8 million people had gained access to HIV treatment, and 10 countries, several of which are located in the high-burden region of sub-Saharan Africa, had reached the target of universal access to antiretroviral treatment.⁶ In contrast, fewer than 20 per cent of those infected had received antiretroviral treatment in low- and middle-income countries of Europe and Central Asia.⁷

8. The estimated incidence of malaria has decreased globally by 17 per cent since 2000, with malaria-specific mortality rates decreasing by 25 per cent. The world is also on track to meet the target of halting and beginning to reverse the spread of tuberculosis, with incidence rates having fallen since 2002. Between 1995 and 2010,

⁵ See *UNAIDS Report on the Global AIDS Epidemic 2010*, Joint United Nations Programme on HIV/AIDS (UNAIDS) (Geneva, 2010).

⁶ Universal access is reached when access to antiretroviral treatment reaches or exceeds 80 per cent of need.

⁷ See *Towards Universal Access: Scaling up priority HIV/AIDS Interventions in the Health Sector: Progress Report 2010*, World Health Organization, UNAIDS, UNICEF (Geneva, 2010).

an estimated 7 million lives were saved through the successful treatment of tuberculosis.

9. The world has met the Millennium Development Goal drinking water target five years ahead of schedule. In 2010, 89 per cent of the world's population had access to improved drinking water sources, reflecting an increase of 13 per cent compared with 1990 levels. If recent trends continue, 92 per cent of the world population will have gained access to improved sources of drinking water by 2015, well above the internationally agreed target.

B. Shortfalls in the achievement of the Millennium Development Goals

10. The achievement of the Millennium Development Goals has been uneven across and within regions and countries, however. Most often, it is the poorest and those most marginalized and discriminated against on the basis of, inter alia, gender, age, disability and ethnicity who have seen the least progress. Moreover, progress has slowed in some areas, and a few of the goals remain out of reach.

11. Hunger and undernutrition remain the most critical of global challenges. The Food and Agriculture Organization of the United Nations (FAO) estimates that 925 million people were living in hunger in 2010.⁸ This contrasts with the reduction achieved in income poverty. Even though the impact of the 2007-2008 food price crisis was not as detrimental as previously assumed, the prevalence of hunger remains high, especially in sub-Saharan Africa and South Asia (excluding India). The vulnerability of food systems to droughts and floods, together with land degradation, further aggravates food security, especially in poor countries. In addition, large disparities between rural and urban areas persist.

12. Progress has also been slow in reducing undernourishment among children. Recent estimates show that children in the lowest-income households are almost three times as likely to be underweight as children in the wealthiest 20 per cent of households in developing countries. Furthermore, children living in rural areas are almost twice as likely to be underweight as children in urban households in the developing world. Undernutrition is a cause of stunting, which can lead to diminished cognitive and physical development. Studies have shown that public programmes targeted to the poor, greater gender equality and improved rural infrastructure are critical to better nutrition-related outcomes.⁹ Hence, nutrition must be placed higher on the national development agenda to uproot the leading causes of persistent undernourishment in developing and least developed countries.

13. Despite the fact that some progress has been made towards greater gender equality (Millennium Development Goal 3), women remain in a disadvantaged position in many fields, especially in terms of access to productive employment opportunities in the formal sector, productive resources, sexual and reproductive

⁸ See *The State of Food Security in the World 2011: How Does International Price Volatility Affect Domestic Economies and Food Security?*, FAO, International Fund for Agricultural Development, World Food Programme (Rome, 2011).

⁹ See *Accelerating Equitable Achievement of the MDGs: Closing Gaps in Health and Nutrition Outcomes: Asia-Pacific Regional MDG Report 2011/12*, Economic and Social Commission for Asia and the Pacific, Asian Development Bank, United Nations Development Programme (Bangkok, 2012).

health care and political decision-making. More than half of the world's women are in vulnerable employment, and only one in five parliamentarians worldwide is a woman.¹⁰ In most developing countries, gender disparities also persist in access to secondary and tertiary education. The scourge of violence against women and girls, including conflict-related sexual violence, holds back progress on the achievement of all the Goals.

14. Although the number of maternal deaths declined by 47 per cent between 1990 and 2010 to an estimated 287,000 deaths worldwide, and the maternal mortality ratio dropped from 440 deaths per 100,000 live births in 1990 to 240 in 2010, progress remains slow and there are growing disparities in knowledge about and access to reproductive health care, particularly among poor and rural women and members of vulnerable groups. As a result, the target of reducing maternal mortality by three quarters by 2015 is out of reach, particularly in sub-Saharan Africa. Reductions in adolescent childbearing and the expansion of contraceptive use have continued, but the pace of improvements was slower in the 2000s than in the previous decade. One of the main contributors to reductions in maternal mortality has been the increase in the proportion of deliveries attended by skilled personnel, which rose from 55 per cent in 1990 to 65 per cent in 2010.

15. While enrolment rates have increased in all regions, 61 million children of primary-school age were still out of school in 2010, with more than half of them (33 million) in sub-Saharan Africa and a fifth (13 million) in South Asia. Increasing completion rates in primary school have increased demand for secondary education. Countries facing budget constraints have been unable to meet the demand through the commensurate expansion of secondary education services, causing the dropout of large numbers of adolescents of lower-secondary-school age. Girls are disproportionately affected.¹¹

16. While the use of unimproved water sources declined to 4 per cent in urban areas worldwide in 2010, 19 per cent of the world's rural population could gain access only to such unsafe sources. Since the dimensions of safety, reliability and sustainability are not adequately reflected in the proxy indicator used to track progress towards the relevant Millennium Development Goal target, it is likely that those figures underestimate the actual number of people using unsafe water supplies. Nearly half of those living in developing regions (2.5 billion) still lack access to improved sanitation facilities. At the current pace, the world will have reached only 67 per cent coverage by 2015, short of the 75 per cent needed to achieve the Millennium Development Goal target. And despite a 271 million reduction in this population since 1990, 1.1 billion people still practice open defecation. Entire communities are exposed on a daily basis to the considerable health and environmental hazards of inadequate human waste disposal.

17. Progress on the achievement of the environmental Goals looks rather poor. Global emissions reached 30.1 billion metric tons in 2009, which is still 39 per cent above the 1990 level of 21.7 billion metric tons. But total global emissions decreased slightly in 2009 from 30.2 billion metric tons in 2008. This decrease has been attributed to the slight reduction in productivity due to the global crisis.

¹⁰ See *Women in Politics: 2012*, Inter-Parliamentary Union, United Nations Entity for Gender Equality and the Empowerment of Women (New York, 2012).

¹¹ See *World Atlas on Gender Equality in Education*, United Nations Educational, Scientific and Cultural Organization (Paris, 2010).

18. The overexploitation of marine fisheries continued and reached a new peak in 2008, when the share of overexploited fish stocks shot up to 32 per cent.

19. Peace and conflict remained major issues in 2010 and 2011. Violence has become one of the largest obstacles to development, hence hampering progress towards the Millennium Development Goals. Approximately one fifth of humanity lives in countries experiencing significant violence, political conflict, insecurity and societal fragility.¹² A total of 4 million people were uprooted in 2011. This increase in the number of refugees was triggered largely by the post-election violence in Côte d'Ivoire, ongoing violence in Somalia and the Arab Spring uprisings. Four out of five of the refugees fleeing those situations are hosted by developing countries.

III. Achieving the Millennium Development Goals requires stable, equitable and inclusive growth

20. The 2008-2009 economic and financial crisis and the surge in food and energy prices caused a serious setback in the global efforts to achieve the Millennium Development Goals, and the global economy is still struggling to overcome the impact of the crisis. Growth remains sluggish in developed countries, which is also impeding economic progress in developing countries. Significant risks threaten the cautious recovery, leading to uncertain prospects for employment generation.¹³ As a result, unemployment remains high and the global jobs crisis is deepening: 200 million people are unemployed worldwide, while 900 million workers live in poverty despite having some form of employment. In total, one in three workers globally is either un- or underemployed or lives in a family whose per capita income is less than \$2 a day.¹⁴

21. Work is a central aspect of people's well-being. It is not only their main source of income, but also a source of human dignity and sense of self-worth, determining social relations and shaping identities. According to the World Bank, decent work provides an adequate amount of income to enable households to meet their basic needs and fosters broader social development by strengthening individuals, their families and their communities. Hence, the creation of decent and productive jobs is the critical link among economic growth, inclusive human development and shared prosperity. It is estimated that an additional 600 million jobs would need to be created over the next decade to address the backlog of unemployment and to provide employment for new labour market entrants. Young people as well as vulnerable populations, including persons with disabilities, people living with HIV¹⁵ and women, are particularly affected by the jobs crisis.¹⁴

22. Persistent high unemployment is at the heart of the ongoing economic crisis in developed countries. Open unemployment rates are also high in some developing countries, but in most developing countries vulnerable working conditions and

¹² See *Global Burden of Armed Violence 2011: Lethal Encounters*, Geneva Declaration Secretariat (Cambridge, United Kingdom, 2011).

¹³ See *World Economic Situation and Prospects as of mid-2012*, Department of Economic and Social Affairs (New York, 2012).

¹⁴ See *Global Employment Trends 2012*, International Labour Organization (ILO) (Geneva, 2012).

¹⁵ While 9 out of 10 people living with HIV are of working age, up to 40 per cent of survey respondents report employment loss due to their HIV status. See *26th Meeting of the UNAIDS Programme Coordinating Board*, UNAIDS (Geneva, 2010).

underemployment tend to be the more pressing labour market problems.¹⁶ Workers, especially in least developed countries, find employment mainly in informal, low-productivity and low-wage activities and often lack any form of social protection. In 2011, more than 1.5 billion workers worldwide faced vulnerable employment conditions, as defined by the International Labour Organization.¹⁴ This is nearly half (49.1 per cent) of the total number of workers in the world.

23. In order to address the jobs deficit and create sufficient, decent and productive employment for a growing labour force, economies will need to expand. Economic growth alone will not be sufficient. In the light of climate change and other environmental challenges and prevailing economic inequalities, growth patterns should become sustainable in terms of the use of natural resources and employment-intensive, as well as contribute to stronger productivity growth. Reorienting growth patterns will require not only that macroeconomic policies target employment generation more explicitly, but also that they be coherent with trade, investment, financial, industrial, rural development and social policies geared towards the creation of decent work for all and productivity growth that is environmentally sustainable.

A. Inclusive economic growth and productive employment

24. Macroeconomic policies are a core element of inclusive economic growth and employment creation. The recent economic problems in developed countries provide evidence as to the importance of macroeconomic stability and adequate policy responses to shocks and crises.

25. The ultimate goals of macroeconomic stabilization policies should be to achieve stable economic growth and facilitate employment creation. Price stability and sustainable levels of debt play an important role through their impact on investment decisions. In order to achieve these intermediate goals, countries need policy space for flexibility in the use of macroeconomic tools. These include countercyclical fiscal policy, a monetary policy regime supportive of both sustained growth and price stability, and an exchange rate regime that facilitates macroeconomic and structural adjustment supportive of sustainable job creation. These policies must be complemented by strong and prudent financial market regulation and supervision.

26. The details of any such policy mix are country-specific and need to be tailored to national circumstances. Successful implementation will require an enabling global policy environment and international policy coordination. The current world economic conditions require more short-term fiscal stimulus to break the cycle of high unemployment, weak aggregate demand and slow growth. Reorienting Government spending to overcome infrastructure bottlenecks and to promote sustainable agriculture, energy generation and, especially in primary-export-dependent economies, economic diversification tends to have strong and immediate employment effects, while improving long-run growth prospects.¹³ In particular, investments in the renewable energy sector, which tends to be more labour-intensive than current energy generation technologies, provide a double benefit, placing

¹⁶ ILO defines vulnerable employment as own-account or unpaid family work. Both are characterized mostly by difficult working conditions and low incomes (see *Global Employment Trends 2012*).

economies on not only a more sustainable but also a more employment-intensive growth path.¹⁷ Macroeconomic policies can thus make important contributions by harnessing structural change and shifting resources — both labour and capital — to activities with higher productivity and thus greater potential for adequate remuneration. Yet, they are not sufficient. A coherent set of trade, investment, financial, industrial, education and social policies all have a role to play in facilitating structural change and placing economies on a more sustainable and employment intensive growth path.

27. The entry of private firms into new fields of endeavour often creates positive synergies. Initial investments in new and dynamic industries provide examples for other entrepreneurs, lead to the training of workers and young graduates, build up technological capacity and create demand for inputs and activities that might not yet exist domestically. Many of the gains will not be earned if fully left to market forces, however, given the costs of initiating new technological developments and other factors, such as the failure of markets to take environmental costs into account. Governments will have an important role to play in promoting socially relevant innovation. They can do so by supporting specific sectors and providing preferential access to finance and credit, temporarily guaranteeing market shares or access to inputs through flexible trade policies, providing access to research and technology, and implementing other measures tailored to their specific national contexts.

28. While technologically sophisticated modern services and manufacturing offer promising growth potential and prospects of employment creation, efforts to support those sectors must be accompanied by continued support for agriculture. The agricultural sector remains the major source of income, food and work for a majority of the poor in developing countries. Productive agriculture plays an important role in the early phase of structural transformation. Higher agricultural productivity not only increases the incomes of smallholder farmers, but also can create jobs and increase on-farm and non-farm incomes in rural areas owing to the high labour intensity of agriculture, while agro-processing reduces post-harvest losses and thus promotes food security. Public support to facilitate productivity increases is critical, including investments in rural infrastructure and agricultural science, technology and innovation, education and extension services, as well as greater access to credit and financial services, inputs, insurance, markets, land and secure property rights, in particular for women and vulnerable populations.

B. Creating decent and productive jobs: investing in skills and social protection

29. Investments in the skills development of the workforce, minimum wage systems and employment protection legislation can all contribute to conditions for decent work and foster broader social development. The minimum wage and employment protection legislation are sometimes seen as introducing rigidities into labour markets and causing low levels of formal sector employment. Yet, research shows that regulations aimed at protecting labour rights provide a tangible social benefit — lower inequality — without creating any significant loss in terms of

¹⁷ See *Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World*, United Nations Environment Programme (Nairobi, 2008).

output and employment.¹⁸ Labour mobility — between rural and urban areas, between sectors and industries and between the formal and the informal sector — depends more on enabling factors such as quality education, skills and knowledge, infrastructure and transportation systems, affordable housing, appropriate regulations and access to capital. Health, nutrition and basic education are important foundations for the fostering of a productive workforce. In order to increase labour mobility and decent work opportunities, countries need to place priority on measures that strengthen those enabling factors.

30. Workers in the informal sector, including the self-employed, often lack access to safety nets and other forms of social protection and work under conditions that do not meet international labour standards. They are extremely vulnerable to economic and weather-related shocks, and any loss of income can lead to a loss of assets with longer-term negative impacts. Integrating informal workers into fiscally sustainable universal social protection systems is critical in order to avoid long-term losses of human development as a result of short-term shocks. Such social protection can be effectively provided through combinations of programmes ensuring universal access to essential social services, providing income and in-kind transfers to vulnerable workers, unemployment and disability benefits, subsidized old-age pensions and universal access to reproductive and other basic health care. Universal systems of social protection, as promoted in the Social Protection Floor Initiative, complement programmes promoting inclusive economic development and tend to support social mobility. It is critical that they be available to people in both the formal and informal sectors if a two-tier approach is to be avoided. Brazil's Unified Health System, created in 1989, successfully merged two previous systems in order to unify health benefits for all citizens, including the majority of those in the informal sector.

31. The enormous scope of the employment challenge has prompted some Governments to introduce public employment programmes, which provide cash, food or other in-kind transfers for those unable to find any form of employment. They also allow for the targeting of disadvantaged groups that might be difficult to reach through other policy measures.¹⁹ In addition, public works programmes provide social protection in times of economic crisis. They often include the building of infrastructure and other productive community assets that can enhance productive capacity and create better opportunities for investment and employment. Such programmes are currently being implemented in many sub-Saharan African countries, but they have also been used to address the consequences of climatic shocks in South Asia and Latin America.

32. In an environment of chronic unemployment or underemployment, permanent programmes offer a more sustained impact. In employment guarantee schemes, Governments act as the employer of last resort, guaranteeing employment and income for a minimum number of days a year. India's National Rural Employment Guarantee Act is the most prominent example; it guarantees a maximum of 100 workdays a year to every household at a minimum wage rate. The Government of South Africa reports that its Expanded Public Works Programme, in place since 2004, provides short-term employment for an average duration of 100 days and has

¹⁸ See "Labour market institutions around the world", Richard B. Freeman (Cambridge, United Kingdom, 2007).

¹⁹ See E/2012/33.

been continuously expanded since its inception. By 2014, the Programme aims to create more than 1.5 million work opportunities annually.

33. Such programmes, which reduce poverty and help workers make the transition to more stable forms of employment, require careful assessment of the local context so that their design can be adapted to meet specific needs.

C. Small and medium-sized enterprise development and job creation

34. Small and medium-sized enterprises tend to be a key driving force for economic growth, job creation and the provision of livelihoods in most developing countries, but they face a number of challenges that undermine their competitiveness and sustainability. The lack of physical and non-physical infrastructure in many developing countries places small and medium-sized enterprises at a significant disadvantage and can limit their access to export as well as domestic markets, their linkages to larger companies and their integration into international production networks. Formal registration is often costly, and all too frequently small and medium-sized enterprises are subject to the rent-seeking behaviour of public officials. Without assets that can serve as collateral, such enterprises do not fulfil the lending conditions required by most banks, while microfinance institutions typically do not provide loans of the required size. In terms of entrepreneurial aspects, many small and medium-sized enterprises also lack the management skills and business know-how to engage in innovation. In the absence of innovation and when concentrated in existing markets, the expansion of small and medium-sized enterprises tends to lead to an oversaturation of markets, thus reducing profit margins and employment prospects.

35. Therefore, if small and medium-sized enterprises are to provide decent livelihoods, Governments must put in place a range of coherent support measures that respond to their specific needs, providing access to inputs, credit and markets as well as addressing supply-side constraints through skills training. Improvements in infrastructure are necessary to ensure a reliable and steady power supply, efficient transportation links and roads, and access to information and communications technologies. At the macrolevel, there is a need for a robust and stable economic policy framework that promotes innovation and growth while minimizing volatility and uncertainty and facilitating access to private finance. Access to credit can also be enhanced through the direct provision of credit by public financial institutions and the provision of guarantees for certain kinds of credit and joint public-private sources of financing.²⁰

36. Governments can facilitate market access by reserving a minimum percentage of Government tenders for small and medium-sized enterprises, by not imposing a minimum size requirement on enterprises bidding for projects, and by actively recruiting enterprises for smaller projects or to be participants in larger ones. Building clusters of small and medium-sized enterprises active in a particular field can be a helpful step towards their empowerment.

²⁰ See "Small and medium enterprises (SMEs) as drivers of productive capacity and job creation in Africa: regional preparatory meeting for Africa", Economic and Social Council (Addis Ababa, 2012).

37. Skills and training programmes relevant to small and medium-sized enterprises can be provided by expanding national educational curricula to include vocational and business training, by enhancing opportunities, especially for those in the informal sector, to gain access to vocational training,²¹ and by involving institutions and entrepreneurs more systematically in public/private partnerships.

D. Youth unemployment as central to social and economic stability

38. The level of youth unemployment in developed and developing countries reached a new high in 2011, with nearly 75 million young people among the ranks of the unemployed. Projections for 2012 show no improvements,²² and in many countries a growing number of young people are neither in school nor employed. Better educated than ever before, youth are struggling to find decent employment, which leaves many of them frustrated and disillusioned at their job prospects. Youth unemployment has major and long-term socioeconomic consequences, decreasing lifetime earning capacity and potential growth¹⁹ and threatening social cohesion.

39. Addressing youth unemployment requires faster and stable economic growth in sectors with the potential to absorb young workers. At the same time, Governments need to ensure that young people possess adequate skills when they enter the labour market. Because of a mismatch between the demands of the labour market and educational curricula, which often lack vocational and skills-enhancing education, the school-to-work transition proves challenging for young men and women. Curricula need to provide the skills valued by employers, and it is important that they not reinforce gender stereotypes, but rather enable young women and men to follow non-traditional career paths. Paid internships and public-private programmes aimed at stimulating youth employment have proved important in reducing the barriers faced by young workers, which often include negative attitudes on the part of employers.

40. Educational policies should provide young people with adequate and practicable opportunities for on-the-job training, information about the labour market and assistance in finding a job. Such policies require close cooperation among Governments, the private sector and trade unions. Local governments, in cooperation with national Governments, must put in place policies and resources that support local economic development initiatives with a strong focus on youth and provide incentives for the private sector to hire young people.

IV. Delivering on the global partnership for development²³

41. Millennium Development Goal 8 sets out commitments aimed at strengthening the global partnership for development in order to support national development efforts in five priority areas: official development assistance (ODA); the development of an open, rules-based, predictable, non-discriminatory trading and

²¹ See "Promoting productive capacity, employment and decent work in Asia and the Pacific: a regional approach to sustained, inclusive and equitable growth and achieving the MDGs", Economic and Social Council (Kyoto, Japan, 2011).

²² See *Global Employment Trends for Youth 2012*, ILO (Geneva, 2012).

²³ Unless otherwise noted, this section draws from information provided by the Millennium Development Goals Gap Task Force.

financial system; the management of the debt burden of developing countries; ensuring access to affordable essential medicines; and ensuring the availability of new technologies in cooperation with the private sector.

42. The ongoing protracted crisis is having a negative impact on ODA, which in 2011 fell nearly 3 per cent from its peak in 2010. The total amount of ODA provided by countries members of the Development Assistance Committee totalled \$133.5 billion in 2011, equivalent to 0.31 per cent of their aggregate gross national income (GNI). ODA flows will have to more than double in order to meet the United Nations target of 0.7 per cent of donor GNI. All donors should honour their commitments to increase aid, provide multi-year spending plans and make aid more effective.

43. The Doha Round, after 11 years of negotiations, remains at an impasse. Concluding the Doha Round is crucial to addressing structural imbalances in the global trade regime, and countries are urged to increase efforts to finalize the negotiations. While the ongoing economic and financial crisis continues to slow the pace of global trade, the exports of developing countries have recovered more strongly in the current crisis than those of developed countries. Even so, least developed countries face constant difficulties in expanding their trade as the progress made in gaining duty-free and quota-free market access in developed countries has slowed. Neither the 2005 Hong Kong Declaration aimed at providing such access for all products of least developed countries nor simplified rules of origin have yet been fully implemented. There is an urgent need to remove all trade-restrictive measures introduced since the onset of the global economic crisis, as those measures have affected nearly 3 per cent of world trade. Such trade restrictions further limit the growth prospects and opportunities for job creation in developing countries. At the same time, trade capacities in developing countries need to be strengthened, including through the enhancement of the Aid for Trade initiative, while ensuring that it incorporates the key principles of aid effectiveness and support for countries in integrating trade strategies into their overall national development strategies.

44. The Heavily Indebted Poor Countries Initiative, providing debt relief to a selected number of countries, will soon be concluded. By May 2012, 36 of the 39 participating countries had reached the "decision point" under the initiative, and 32 of these had reached the "completion point". At the same time, however, roughly 20 developing countries remain in or at high risk of debt distress, and the average debt service to export ratio for developing countries in 2011 increased slightly to 26.4 per cent. This slight increase was due mainly to lower-middle-income countries, while there are signs of renewed vulnerability in some low-income countries. Hence, options for the enhancement of the international architecture for debt relief should be explored at the global level. Moreover, a number of policy options can help to mitigate the impact of high external debt burdens. At the national level, these include the strengthening of debt management capacities, which would allow for improved debt sustainability analyses. At the global level, the impact of litigation brought by creditors not participating in international structures needs to be reduced, and a discussion on proposed principles for responsible borrowing and lending should be initiated, together with a discussion on the development of guidelines regarding foreign debt and human rights.

45. Improved access to affordable essential medicines would help to accelerate the progress being made on the achievement of the health-related Millennium Development Goals. Only 51.8 per cent of public and 68.5 per cent of private health facilities in developing countries stock essential medicines, while average medicine prices are 2.6 times higher in the public sector and 5 times higher in the private sector in comparison with international reference prices. The Governments of developing countries require assistance in increasing the availability of essential medicines through the public sector, particularly in cases of public health emergencies, to ensure affordable access for those in need.

46. Wider use of the trade-related provisions set out in the intellectual property rights regulations of the World Trade Organization, together with greater use of innovative mechanisms to lower costs and increase access to essential medicines in low- and middle-income countries, should be pursued as part of global efforts in this area.²⁴ Lowering the cost of medicines needs to be complemented with the strengthening of health systems in developing countries, an increase in the local production of generic medicines and better regulatory capacities to ensure the safety, efficacy and quality of medicines. More should be done to provide adequate incentives for research and development with regard to new medicines, particularly for neglected diseases.

47. While access to new technologies continues to expand globally, especially in the area of information and communications technology, the global digital divide remains vast. The majority of people living in least developed countries lack access to the Internet. For many people in developing countries, mobile broadband is often the only medium for Internet access and the costs of information and communications technology are higher, especially in Africa. There is still a need to pick up the pace of efforts to increase access to and the affordability of the Internet, in cooperation with the private sector. Steps towards this goal include adopting national broadband policies, increasing infrastructure and expanding connectivity in order to provide universal access. Access to green technologies and technologies for climate change mitigation and adaptation, disaster risk reduction and resilience are needed. Against this backdrop, Governments are urged to fully operationalize and capitalize the Green Climate Fund and to support the effective implementation of the Technology Mechanism. Much more work is required in order to build the innovation and absorptive capacity of developing countries to facilitate the transfer, adaptation and dissemination of these technologies.

48. In the three years left before the 2015 deadline for meeting Millennium Development Goal targets, more specific interventions will be needed in developing countries to accelerate progress on the various dimensions of the Goals, but without an enabling global environment the promise offered by the Goals will remain unfulfilled. Closing the gap in the delivery of stable and effective ODA flows; making faster progress towards the establishment of an open, rules-based, predictable and non-discriminatory trade and financial system; providing access to affordable essential medicines; and making available the benefits of new technologies, in accordance with the explicit commitments made by developed countries under Millennium Development Goal 8, are all critical ingredients towards the achievements of the Goals.

²⁴ Innovative mechanisms include the Medicines Patent Pool initiative and voluntary licensing by pharmaceutical companies.

V. United Nations development agenda beyond 2015

49. There is a recognized need to begin thinking about the United Nations development agenda beyond 2015, building on the experience gained with the Millennium Development Goals framework. Some Member States have launched national initiatives to inform discussions on this topic, which have seen the participation of a number of civil society organizations from all over the world. Academic and other research institutions have been particularly active, and the private sector is also involved.

A. Emerging areas of focus in discussions on the post-2015 United Nations development agenda

50. In the discussions engaged in so far, four broad areas of focus have emerged: the consultation process for the formulation of the post-2015 United Nations development agenda; substantive themes for consideration; the format or design of the agenda; and the monitoring of progress and accountability for results.

51. There is consensus regarding the need for an open and inclusive consultation process, led by Member States and engaging all stakeholders, as well as the need to support the capacity of least developed countries and poor or marginalized people to participate in it. The importance of other intergovernmental processes informing the discussions has also been emphasized. Particular attention has been drawn to the United Nations Conference on Sustainable Development, as discussed further below.

52. In respect of substantive themes, support has been expressed for a post-2015 United Nations development agenda that builds on the Millennium Development Goals framework and keeps the focus on human development, while addressing emerging challenges. However, the need not to overload the agenda is also being highlighted.

53. Such a focus and format are also seen as critical in addressing the issues of monitoring and accountability. Various ways of measuring progress are being discussed, including ways of addressing inequalities, in part through the more effective use of disaggregated data.

B. Ongoing processes and inclusive national, regional and global consultations

54. In its global convening role, the United Nations can bring together the various sets of stakeholders that can contribute to the global development agenda beyond 2015. The Secretary-General has established the United Nations system task team on the post-2015 United Nations development agenda, to support the consultation process, coordinate system-wide preparations and define a system-wide vision and possible road map to support deliberations on a post-2015 development agenda. Launched in January 2011 and led by the Department of Economic and Social Affairs and the United Nations Development Programme, the task team brings

together some 60 United Nations agencies and other international organizations. The team submitted its first report to the Secretary-General in June 2012.²⁵

55. The report contains the task team's main findings and recommendations with regard to a new vision for development aimed at generating transformative change, the possible contours of such an agenda and options for moving forward in the consultation process, including ways to bring in the voices of various stakeholders. Those recommendations are made in the light of analysis of the strengths and weaknesses of the Millennium Development Goals framework and assessment of the lessons learned for the post-2015 United Nations development agenda, as well as the outlining of emerging and existing pressing global challenges that must be taken into account.

56. As indicated in the report, the Millennium Declaration can serve as the starting point for the discussion on the post-2015 United Nations development agenda, as the values and principles that it reflects are as relevant today as they were in 2000.²⁶ The agenda should also build on the experience gained with the Millennium Development Goals framework and recognize the advantage of keeping an inspirational, concise and easy-to-articulate format.²⁷

57. In addition to maintaining a clear focus on human development, the post-2015 development agenda will have to address other emerging or pressing challenges. The report of the task team analyses a range of challenges, from an increasing environmental footprint with increasing disaster risks to rising inequalities, continuing violent conflict, rapid demographic change, rapid urbanization and continuous migration flows. There is also the knowledge gap between and within countries and governance and accountability deficits at various levels that require the strengthening of compliance with the rule of law. Food and nutrition security; water and sanitation; energy; and access to quality health services (including reproductive health), education and vocational training are also of crucial importance.²⁸

58. The world cannot continue on its current course. There is a need for an agenda aimed at transformative change leading to a shared, secure and sustainable future for all. The report of the task team sets out a vision for such an agenda, guided by the three fundamental principles of human rights, equality and sustainability. It proposes four interconnected core dimensions that can serve as the basis for the definition of goals and targets:

- (a) Inclusive social development;
- (b) Environmental sustainability;
- (c) Inclusive economic development;
- (d) Peace and security.

²⁵ *Realizing the Future We Want for All: Report to the Secretary-General*, United Nations system task team on the post-2015 United Nations development agenda (New York, 2012).

²⁶ See General Assembly resolution 55/2.

²⁷ For an in-depth analysis, see *Review of the Contributions of the MDG Agenda to Foster Development: Lessons for the Post-2015 UN Development Agenda*, United Nations system task team on the post-2015 United Nations development agenda (New York, 2012).

²⁸ Members of the United Nations system task team have prepared think pieces on emerging challenges; see <http://www.un.org/millenniumgoals/beyond2015.shtml#Resources>.

Principles and goals should guide policy choices at various levels without becoming prescriptive and while recognizing differences in initial conditions. To support the implementation of the agenda, the global partnership for development would need to be strengthened as a responsibility shared by all countries and involving all stakeholders through a well-defined accountability framework.

59. The task team's report, which has been made publicly available, is intended to serve as a reference for further broad and inclusive consultations on the post-2015 United Nations development agenda to be held in the coming years. The report will also inform the work of the High-level Panel of Eminent Persons, launched by the Secretary-General on 31 July 2012 to provide further support for the consultation process.

60. The United Nations Development Group has launched a complementary project in support of open and inclusive consultations on the post-2015 United Nations development agenda. National consultations aimed at engaging stakeholders in some 50 developing countries are being planned for 2012 through mid-2013, to be complemented by global and regional thematic meetings as well as social media and other forms of outreach.

C. The way forward

61. The outcome of the 2010 High-level Plenary Meeting of the General Assembly on the Millennium Development Goals, including the mandate to begin thinking about how to advance the United Nations development agenda beyond 2015, also included a call for the President of the General Assembly to convene a special event in follow-up to the Meeting at its sixty-eighth session, which will begin in September 2013. The special event, which should devote particular attention to accelerating progress towards the Millennium Development Goals during the final stretch to 2015, is also seen as a key milestone in the deliberations on the post-2015 United Nations development agenda. As such, the event could be used as the basis for a possible road map towards the formulation of the agenda, following a two-step approach.

A two-step approach

62. The first step, from now through the fall of 2013, would include a broad discussion about the purpose and scope of the post-2015 United Nations development agenda, and would greatly benefit from an open, inclusive and transparent consultation process with contributions from a wide range of stakeholders. The consultations would provide a strong basis for the second step, from fall 2013 through 2015, involving intensified efforts to achieve an intergovernmental consensus regarding the post-2015 development agenda. Negotiations during this step would lead to the identification of concrete goals and targets, with an open and inclusive process being maintained.

63. The special event could play an important role in providing the basis for subsequent decision-making on the characteristics and content of the post-2015 development agenda. It could include multi-stakeholder participation, with the objective of providing a platform for interactive dialogue among Member States and other stakeholders about the broad contours of the post-2015 United Nations development agenda. Another objective of the event could be to generate a call and

a road map for a high-level plenary meeting of the General Assembly in 2015 aimed at reaching agreement on this agenda.

64. During the second step, as a consensus regarding the form and content of the agenda takes shape, preparatory work at various levels could be initiated on monitoring and evaluation systems, accountability mechanisms and the mobilization of resources to support implementation. This could also be the time to begin work on defining a coherent United Nations system approach to support implementation.

65. The development of indicators, including methodology and indicator selection, and the provision of advice regarding the technical aspects of target-setting could both be assigned to an inter-agency expert group, with guidance from the Statistical Commission, as has been the case with the Millennium Development Goals framework.

Links to other intergovernmental processes, including follow-up to the United Nations Conference on Sustainable Development

66. Special attention should be placed on ensuring that relevant intergovernmental processes feed into the discussions on the post-2015 United Nations development agenda, particularly in terms of identifying priority areas.²⁹ For example, the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, the 2014 Development Cooperation Forum and the report to the General Assembly on a sustainable development financing strategy would provide opportunities for, in particular, a multi-stakeholder discussion on reshaping the global partnership for development to support the implementation of a post-2015 global development agenda.

67. In the coming weeks, the focus should be placed on establishing how the results of the United Nations Conference on Sustainable Development should inform the discussions on the post-2015 United Nations development agenda³⁰ and the linkages between the follow-up to the Conference and the post-2015 process. This would address the widely shared need to work towards one unified global development agenda for the post-2015 period, with sustainable development at its centre.

68. In the outcome of the United Nations Conference on Sustainable Development, Member States agreed to launch an inclusive intergovernmental process aimed at developing a set of sustainable development goals that should "incorporate in a balanced way all three dimensions of sustainable development and their interlinkages" and "should be coherent with and integrated into the United Nations development agenda beyond 2015".³¹ Building on the experience gained with the Millennium Development Goals framework, they agreed that the sustainable development goals "should be action-oriented, concise and easy to communicate, limited in number, aspirational, global in nature and universally applicable to all countries while taking into account different national realities, capacities and levels of development".³² They also decided to establish an open working group with

²⁹ An indicative list of these processes can be found in *Realizing the Future We Want for All: Report to the Secretary-General* (New York, 2012), annex 3.

³⁰ See General Assembly resolution 66/288.

³¹ General Assembly resolution 66/288, para. 246.

³² *Ibid.*, para. 247.

30 representatives of Member States by the time of the opening of the sixty-seventh session of the General Assembly, in order to prepare a proposal on sustainable development goals for submission to the Assembly at its sixty-eighth session.

69. The convergence of the two processes, aimed at defining the sustainable development goals and the post-2015 United Nations development agenda, could be achieved through the guidance and decisions of the General Assembly. To this end, the Assembly could consider making use of the special event to be held in the third quarter of 2013 to place the two processes on a common track, with a view to making a determination regarding the post-2015 United Nations development agenda, including sustainable development goals.

70. To support the convergence of the sustainable development goals process and the post-2015 process, the following specific measures could be taken by Member States, the United Nations system and other stakeholders:

(a) The regional, national and thematic consultations on the post-2015 United Nations development agenda should help to build the bridge between discussions on sustainable development goals and discussions on the post-2015 United Nations development agenda, of which the sustainable development goals will be an integral part;

(b) Simultaneous consultations on sustainable development goals and the post-2015 United Nations development agenda would provide important stakeholder and expert inputs for the work of the intergovernmental open working group on sustainable development goals, as defined in the outcome of the United Nations Conference on Sustainable Development;

(c) Additional efforts should be made to ensure that preparations for and consultations in advance of the 2013 special event convened by the President of the General Assembly in follow-up to the 2010 High-level Plenary Meeting of the Assembly on the Millennium Development Goals encourage further bridge-building between the sustainable development goals process and the post-2015 process;

(d) There should be close interaction at the level of the Secretariat in support of the two processes.

71. To support the sustainable development goals process and the work of the intergovernmental open working group, the outcome of the United Nations Conference on Sustainable Development requested the Secretary-General "to ensure all necessary input and support to this work from the United Nations system, including through establishing an inter-agency technical support team and expert panels, as needed, drawing on all relevant expert advice".³³ The Secretary-General will establish such a technical support team under the umbrella of the United Nations system task team on the post-2015 United Nations development agenda. The task team, comprising 60 agencies and other entities, includes the members of the "ECESA plus" platform, which served as the United Nations system coordination mechanism for the Conference preparations.

³³ Ibid., para. 249.